

according to plan," but in this case that is no stretching of the truth.

LONDON, July 21 (By The Associated Press).—The feeling in political quarters remains quite optimistic. Lord Curzon, Secretary for Foreign Affairs, in a statement in the House of Lords to-night, indicated that the government is not without hope regarding the final outcome. Lord Curzon, in the course of his remarks, said he was glad to say the Irish negotiations "seemed charged with hope."

The parliamentary correspondent of The London Times understands that Premier Lloyd George will announce the terms of the government's offer to Mr. De Valera in a speech in the House of Commons to-morrow.

In the lobbies of Parliament the feeling remained hopeful and there was a general impression that an autumn session could not be avoided. This impression was based on the fact that it would prove necessary in order to introduce new Irish legislation.

**No Alternative Offer**  
The government offer to De Valera, it is learned authoritatively, comprised fewer than ten articles, and was of such a nature as to permit of no alternative offer. The proposals, according to the Dublin correspondent of The Associated Press, on their financial side, are of a nature intended to provide an income for the government.

According to The Evening Standard, the proposals embodied an offer of dominion home rule for southern Ireland, and, in addition, an offer of a permanent offer. The proposals, according to the Dublin correspondent of The Associated Press, on their financial side, are of a nature intended to provide an income for the government.

It required considerable time for the conferees to draw up the communiqué issued by agreement after the meeting, and this caused some comment, being interpreted as indicating anxiety by both sides to avoid a breach in the peace attempt or to indicate that an impasse had already occurred.

After the previous Downing Street interviews between Lloyd George and De Valera only a few minutes were required to draft the communiqué. A member of the Sinn Féin delegation said:

"In drafting the announcement both sides would create an immediate furor in the other camp. As for us, we have never been overly optimistic regarding the prospects of the present negotiations. We are really a bit surprised that they continued so long and so amicably."

Progress in the negotiations has been made, and it is expected that the conferees will be able to reach an agreement by the end of the month.

On the eve of returning to Ireland, Mr. De Valera requested the press to acknowledge his great appreciation of the assistance rendered by the British government, and his colleagues had been received and treated during their stay in London, not only by the members of the government, but by the general public.

He expressed his anxiety for the attainment of peace.

**Disagreement on Terms Won't Break Irish Truce**

DUBLIN, July 21 (By The Associated Press).—Although Mr. De Valera has been unable to accept the terms of the British settlement, there is no immediate apprehension of a rupture of the truce. It was reported that the British government, in its offer, was offering that Mr. De Valera, as the spokesman of the republican idea, could not waive that principle, and the most that was hoped was that he might receive a fair and worthy of consideration and debate.

But only a really big offer, it is declared, would justify the assembly of the Irish people, and the disappointment as exists is caused by the rumor here that the Daily Eireann may be summoned.

It is decided to reject the terms without consulting the Republican Parliament officially. Mr. De Valera is expected to issue immediately a statement to the Irish people. On good terms, it may be stated, that the financial terms of the British offer broke new ground and apparently are designed to induce Belfast to reconsider its attitude toward a united Ireland.

**Greeks Pursue Turkish Forces Fleeing From City**

Occupation of Rail Junction Point Is Celebrated in Athens

LONDON, July 21 (By The Associated Press).—With the important railway junction point of Eski-Shehr in their hands, the Greeks are conducting a rapid pursuit of the Turkish Nationalists dislodged from that city and other points along the front in Asia Minor, it is announced in a dispatch from Athens to-day.

Eski-Shehr, it is officially announced, was occupied by the Greeks Tuesday, after a severe struggle. King Constantine, who departed for Constantinople, announced from Smyrna yesterday, has taken up his headquarters at Ushak with the General Staff.

ATHENS, July 21.—The capture of Eski-Shehr, the important railway junction in Asia Minor, by the Greek army was celebrated enthusiastically in Athens to-day.

A great crowd, after holding a demonstration at the home of Premier Gounaris, marched through the streets celebrating King Constantine and the Greek nation.

CONSTANTINOPLE, July 21.—Mustapha Kemal Pasha, the Turkish Nationalist leader, declared to his followers that the Nationalist army is retreating to positions prepared in advance, according to advice received here to-day.

Mustapha Kemal urges the people of Anatolia to have no fear, asserting that the Nationalist army will perform its duties faithfully.

**Germany Refuses to Worry Over Threats of Russia**

BERLIN, July 21 (By The Associated Press).—The recent note in the press sent to the German government by M. Tchitcharine, Russian Soviet minister, threatening the expulsion of German troops from the Baltic, has caused no concern in Berlin political circles, which received the message from the German representative in Moscow. The note threatened to cut off commerce and economic relations with Russia unless full apologies were forthcoming.

The general opinion expressed here is that Russia will not use any harsher methods than words, especially as Russia's relations with Germany are more or less negligible, although the Soviets last month received sixteen shiploads of food from Germany.

## Briand Rejects British Plan in Upper Silesia

**Precation First, Decision Afterward, Attitude of France in Objecting to Supreme Council Session**

**Will Send Troops Alone**

**Lloyd George Silent When Asked in Commons if Allies Agree on Policy**

From The Tribune's European Bureau. Copyright, 1921, New York Tribune Inc. LONDON, July 21.—The tension between Great Britain and France over Silesia continued to-night, as notes exchanged by London and Paris failed to establish any points of agreement between the two countries. The gravity of the situation from the British point of view has not been lessened by the insistence of the French upon sending another division of troops to the disputed area regardless of the attitude of the London government. Premier Briand also has virtually refused Lloyd George's request for an immediate session of the Supreme Allied Council.

In reply to a British note suggesting a meeting of the Premiers at once, the French government reiterated its desire to have a committee of Silesian experts convene first. This would result in postponing a meeting of the Supreme Council until sometime in August, and before that date the French reinforcements would be firmly entrenched in the troubled area.

**Britain Wants Frontier Fixed**  
Great Britain wants an immediate meeting of the Supreme Council because of the belief that the sending of additional troops to Upper Silesia would not be necessary if the problem were settled now. Lloyd George believes that if he and Briand could meet, they could fix a permanent boundary between the Poles and the Germans, and take over the parts of Silesia assigned to them and the one ceded to the Poles.

It is said that at present there are only small bands of insurgents in Upper Silesia, but the Allied plebiscite commissioners there agree that more police troops are urgently required, and that unless the division of the province between Germany and Poland is carried out immediately 60,000 Allied soldiers will be needed to restore and maintain order.

LONDON, July 21 (By The Associated Press).—An oral answer to the Marquis of Curzon's note has been given to the British charge d'affaires at Paris, in which the French reiterated that the dispatch of more troops for the pacification of Silesia is not in question.

Speaking in the House of Commons this afternoon, Mr. Lloyd George said that no further progress for a settlement of the Upper Silesian question could be effected until the next meeting of the Supreme Council, the date of which, he said, was the subject of negotiations between the Allied governments.

**Silent as Allied Accord**  
Mr. Lloyd George was asked if he could assure the House that all the Allies were acting in complete accord in the Silesian question. The Prime Minister did not answer this question.

The Warsaw correspondent of The Associated Press says he learned from "a most authoritative source" that a treaty has been concluded between Poland and France regarding the military and economic policy to be pursued in Upper Silesia. The dispatch to Rome to-day, according to the correspondent, provides that Poland will undertake to maintain a standing army of 600,000 men, France to contribute 200,000, and the two countries will maintain a daily toward the maintenance of each man, if France succeeds in settling the Upper Silesian question even in part, the correspondent says.

France, it is declared, recognizes that danger threatens from the side of the Poles as well as from the German side, and it doubly necessary, in the French view, to reinforce the Allied troops.

**Troops Guard Paper Mills**  
Strikers Attack Train

CORINTH, N. Y., July 21.—Seventy-five special officers were sworn in to-night by the village authorities following the disorder of to-day when former employees of the International Paper Company, now on strike, attacked by train because strike breakers at the railway station.

Philip T. Dodge, president of the company, announced to-night that the company had decided to reopen its mills at once and would hold the village at Saratoga County responsible for damages to its property and interference with its business.

State troopers to-night patrolled the streets in the mill district, a score of deputy sheriffs were at the mills and special police officers were on duty throughout the village.

Several persons were injured slightly during the disorders at the station to-day, when a mob of several hundred was broken up by state troopers.

**Seek Guardian for Father**  
Sons Want Don Antonio of Orleans Declared Irresponsible

PARIS, July 21.—Prince Don Alfonso of Orleans and his brother, Prince Luis Ferdinand, have made application to the Paris courts to have their father, Don Antonio of Orleans, declared irresponsible and a guardian appointed for him. The court postponed the case for one week.

Don Antonio of Orleans is the husband of the Infanta Eulalia of Spain, who is an aunt of King Alfonso.

## Tittoni Home Sacked As He Sails for U. S.

ROME, July 21.—Signor Tittoni, former Minister of Foreign Affairs, had barely left his home to embark for the United States at Naples when his house was entered and sacked. Among the valuables stolen were several paintings by old masters.

Signor Tittoni, who is proceeding to the United States with a letter from the King to President Harding, sailed from Naples to-day.

## Jugo-Slavia Consul Here Indicted on Extortion Charge

**Arrest of His Attorney on Similar Accusation Bares Alleged Plot to Force Editor Out of Business**

Through the arrest yesterday of Asa Petrovich, an attorney for the former Consul General of the Jugo-Slovakian government in this city, on a charge of attempted extortion, it became known that similar indictments had been returned against Vladislav Savich, the Consul General, and Stanislaw Vukovich, a member of his staff.

Frank Zotti, editor of the Narodni List, a Hungarian newspaper, charged that Petrovich, acting as the representative of Savich, told him that unless he changed the policy of his paper, which was advocating the establishment of a republic in Jugo-Slovakia instead of a monarchy, he would be put out of business. Petrovich is said to have told Zotti that the best thing would be to sell the paper for \$200,000 to those who favored the monarchy.

When Zotti asked how he was to be put out of business it is alleged that Petrovich told him Savich would refuse to give consent on a steamship which advertised in his paper. The newspaper, according to Zotti, continued to advocate the republic, and two steamship lines withdrew their advertising, causing him to lose \$10,000. The International Mercantile Marine, however, refused to withdraw its advertising, he said.

The complaint had been made to the District Attorney, and J. J. Morton, of his staff, communicated with the State Department in Washington, with the request that he be informed of the status of Savich. It was learned that the United States government had withdrawn its recognition of Savich as the official representative of the Jugo-Slovakian government on June 18.

Petrovich was arrested at his home, on Penn Avenue, Long Beach. He will be taken to General Sessions to-day.

Neither Mr. Morton nor Acting District Attorney John H. Banton would discuss the case last night.

## Freight Rates Hold Up Building, Says Dealer

**Lumber Prices Are Reported as Being Reduced to Pre-War Basis**

Wholesale prices of lumber have reached bottom, but builders are unable to take advantage of them because of high freight rates, according to W. W. Schupner, secretary of the National Wholesale Lumber Dealers' Association, in a letter sent yesterday to the National Federation of Construction Industries.

In reply to a question from the construction industries, Mr. Schupner stated that the subject of his opinion is that the lumber prices have been fully deflated and that with some possible exceptions covering a few varieties and grades, governed by local circumstances, such prices have reached bottom. They are based on a cost of manufacture which takes into consideration heavy reductions in the cost of labor, and the fact that the common labor has been reduced to pre-war wage levels.

"In the lumber industry it has been possible to reduce labor costs very rapidly, and in spite of the fact that production costs are on a minimum basis, the downward price trend has brought mill prices on numerous items lower than in 1913, and some are below present replacement cost levels. Many mills have completely shut down because they cannot profitably sell their output at present prices," he pointed out.

"Prospective buyers must not overlook the fact that even though all wholesale lumber prices at the mills are at their pre-war levels the existing higher freight rates would result in a correspondingly higher selling price at consuming centers."

## Patrolman Wounds Self And Boy Shooting at Dog

**Bullets Ricochet From Barrel, Where Supposedly Mad Animal Is Confined**

Patrolman Schreiner was called to 372 Stuyvesant Avenue, Brooklyn, yesterday by a citizen who had discovered a dog he thought was mad and bottled him up in a barrel.

Thinking that a mad dog in a barrel would be a better mark than a mad dog that was footloose, Patrolman Schreiner undertook to shoot it, barrel and all. His first bullet struck a hoop, glanced, and hit twelve-year-old Giovanni Robaglia in the chest. Being almost spent, it did no harm beyond causing the instant evaporation of Giovanni's interest in the shooting of mad dogs.

When Giovanni had run off howling Patrolman Schreiner took another shot at the barrel, but the bullet penetrated the barrel, hit the dog in the leg, ricocheted with such force as to drill the barrel again and hit Schreiner in the toe. The patrolman then and there ordered the shooting dogs in barrels. He disarmed the dog, shot him in the head, called an ambulance surgeon to attend to his toe and reported sick.

## Man, 65, Held as Slayer

Neighbor Accused in Shooting of Queens Victim

## Harding Firm Arms Parley Must Be Open

(Continued from page one)

ments in preparation for the conference, it was announced to-day. "I had received no orders," said Secretary of War Weeks, "but I am doing it, anyway."

At the Capitol to-day there was much discussion of the possibility that Senator Alton B. Parker of New York might be named by President Harding as one of the members of the conference because of his intimate knowledge of military affairs. He is chairman of the Military Committee.

## Japan to Take Limited Part in Arms Council

**Cabinet View Is Delegation Must Avoid Discussion of the Questions Considered Settled**

TOKIO, July 21 (By The Associated Press).—The Japanese Cabinet, the Nichi Nichi Shinbun said yesterday, has decided to participate in the proposed Washington conference with a general program of not discussing questions affecting sovereign rights of participants, and also not to discuss the Shantung and Yap questions, which it is held were decided by the Paris peace conference.

A delegation of peers representing all the parties visited Foreign Minister Uchida yesterday and questioned him concerning the conference, according to the Yomiuri Shinbun. Viscount Uchida explained his views with relation to the conference and the Anglo-Japanese alliance, says the newspaper, and added that, although the questions of Shantung and Siberia were popularly supposed to be under the Japanese flag, they were not to be discussed, and might be so included, these matters had in fact been decided at the Paris conference.

## America Is Called Fair

In an interview in The Jiji Shinpo "Yokohama" leader of the Kenmei Kai, the Opposition party, declares against the foundation of a coalition government.

"There is no need to propose a coalition government," he is quoted as saying, "because Japan faces no crisis grave enough to justify such a step."

"All Japan has to do at the conference is to present its case and to defend it. America is not a nation which refuses to withdraw from a position once she is met with argument based on justice. Isolation must be based on costs, but Japan is in no such danger."

The Kenmei Kai, or opposition party, is considering the question of sending a private mission to Washington simultaneously with the official delegation, to watch events at the conference on behalf of the party.

The comment on the Washington conference now appearing indicates that Japan is recovering from the first shock of surprise caused by the invitation, but everything points to the disarmament issue being dwarfed in the public mind by the question of the importance of the proposition for a discussion of Far Eastern problems and policies.

"We should welcome the conference," said an opponent of the Japan as a first opportunity to place to dispel American misunderstanding and to initiate the Americans into the actual conditions in the Far East," the editor of the Osaka Asahi writes in that newspaper.

## China Called Cat's-paw

The press, which continues to be absorbed with the subject of the conference, also presents the views of pacifists, who foresee danger from the proposition. Thus America is pictured by some commentators as summoning the Chinese to the conference to place Japan on trial for her foreign policies.

"At Paris Japan was the plaintiff; at Washington she will be the defendant," says the editorial in the Kokum Shinbun, an anti-imperialist Japanese paper.

Meanwhile, arguments are being made for a special steamer to transport the Japanese delegation to the United States for the conference.

## 'Please Remit,' Laysister Twins Telegraph Sister

**Cousins of Late Col. Roosevelt Reach Worcester and Send an SOS**

The ambitious Laysister twins, Lorraine and Charles R., cousins of the late Colonel Roosevelt, who recently disappeared, are being sought by the Japanese delegation to the United States for the conference.

"Have reached Worcester, and are held up for lack of funds. Please remit," was the import of the message. The sisters are in S. S. S. and the family is now waiting impatiently to learn whether the twins will use the money for return fare or for the purpose of continuing their argosy.

The young men, who were working except in a munition factory during the war, and their only bent is toward mechanics and automobiles. They recently announced their intention of leaving their family and friends to travel in search of their fortunes, have got as far as Worcester, Mass., their family learned yesterday.

When their good ship came about the shoals and reefs were placed onto the telephone by their sister requesting that funds be remitted by telegraph. The financial phase of their adventure was the only one mentioned in their wire.

## British to Add To Navy Despite Disarming Call

(Continued from page one)

think of any circumstances in which they would submit the Monroe Doctrine to the arbitration of the nations? Every nation has the equivalent of a Monroe Doctrine and of 'A White Australia.' There is no tribunal to which we are prepared to submit the white Australia problem."

"America says: 'Come, let us reason together.' But what is the cause of naval rivalry? It arises out of the Pacific and nowhere else. For twenty years the world has stood under the shelter of an alliance between another power and the British navy. But at Washington, what do you propose to do? You propose to relegate to a subsidiary position the questions which have caused naval rivalry. The whole of the Pacific, which problem must be solved if the conference isn't to bring forth the same Dead Sea fruit as the League of Nations."

It is recalled that at the British imperial conference Premier Hughes favored an extension of the life of the Japanese treaty, but with safeguards excluding the United States from its provisions.

## America-Japan Rivalry

LONDON, July 21 (By The Associated Press).—Premier Hughes said in his address to-day that Australia and New Zealand should not regard the Pacific conference. The principal fact to be considered, he said, was that any policy of isolation was impossible. Australia's 12,000-mile remoteness, he said, did not prevent her from participating in the world's affairs, more than America's doctrine saved the Americans from participation. President Harding's invitation seemed a realization of this fact, Mr. Hughes said, and indicated the intention of the United States to enter its proper place in world affairs.

The danger in the Pacific, he declared, lies in the rivalry between Japan and the United States, which he asserted Great Britain, with her vital interests, must enter unless an agreement is reached which recognizes the equality of the two nations in the Pacific, as well as Japan's special interests there.

## Belgium Feels Entitled To Sit in Arms Parley

**French Journalist Reports the Country Is Piqued Because It Received No Invitation**

PARIS, July 21 (By The Associated Press).—The Belgian government has instructed Baron de Cartier de Marchienne, Belgian Ambassador to the United States, to present strongly the reasons why Belgium should participate in the Washington conference.

In Washington, according to Henri Puttmans, correspondent in Brussels of the Echo de Paris, to-day, Mr. Puttmans declares that the Belgian sensibilities have been somewhat hurt by President Harding's phrase in his call for the conference—"the principal Allied and associated powers."

Belgian interests in the Far East are described as being of real importance, notably the Kai-Ping mines to the northeast of Tien-Tsin, the railway line, and the numerous Belgian National Bank enterprises in the region.

The Belgian government considers its national dignity involved. M. Puttmans asserts, especially if Holland is invited to attend the conference, that the Belgians consider also that the question of disarmament vitally concerns them, as they now are part of the bloc of Western powers.

## Train Kills Man Who Did Not Believe in U-Boats

**Old Jersey Resident, Reputed To Be Miser, Regarded as Hoax**

HAMPTON, N. J., July 21.—Samuel Case, an eccentric old man who had the reputation of being a miser, was killed by a Central Railroad of New Jersey train Sunday night as he walked along the tracks, picking up and eating the berries, as was his frugal habit. He was eighty-two years old, stone deaf and often had been warned to keep off the tracks.

He regarded the telegraph and the submarine as hoaxes perpetrated upon the public by conscienceless propagandists. He was a devotee of the electric light, and he had a collection of candles which he would have done well, but his own hand and candle, his wife to make her own.

A half finished house stands as a memorial to a dispute he had with his sixty-year-old son, for whom the edifice was intended. They differed on some detail of construction and both clambered down from the scaffold and walked away, never to return to the work.

## Test Lunacy in Death Cells

**Thirty-one Men To Be Classified Before Appeals Are Heard**

OSKINSING, N. Y., July 21.—A lunacy commission appointed by Governor Miller to-day began an examination and classification of thirty-one condemned men in Sing Sing State Prison whose appeals from sentence have not yet been passed on. The commission is to determine the mental status of each man.

Heretofore no slayer has been examined by a lunacy board until his case had been decided by the Court of Appeals. The survey now being made is the first possible for the board to furnish an exact report on the mental status of a man after the highest court has decided his case.

Among those who have received the preliminary examination are Eugene Warden, who killed Henry Warner in 1914, and Peter Nunziata and Joseph Alfano, who participated in the murder of Professor Wilfred Kotkov, of Woodhaven, L. I.

## New Ambassador To Italy Pleased at Rapallo Treaty

NAPLES, July 21.—Richard Washburn Child, the new American Ambassador to Italy, who reached here yesterday, was interviewed by the Giornale d'Italia to-day.

## Britain Leaves It To U. S. To Act in Tarring Case

**Foreign Affairs Official Feels Treatment of Preacher Will Be Dealt With Here**

LONDON, July 21 (By The Associated Press).—The British government does not intend to make representations to the United States government concerning the tarring and feathering of the Rev. Philip S. Irwin, a British subject, by masked men in Miami, Fla., Sunday night.

Cecil Harmsworth, Under-Secretary for Foreign Affairs, in answer to a question in the House of Commons to-day, said:

"I am confident the United States authorities will take such steps as may be necessary to see that justice is done without representations from his majesty's government."

The Rev. Mr. Irwin, pastor of a negro Episcopal church in Miami, was found covered with tar and feathers about midnight Sunday. His alleged preaching of the doctrine of racial equality, which he has denied, was said to have provoked the attack. The following attack the preacher stated that, while he was a British subject, he "would not insult the American flag" by applying to the British authorities for protection.

## Ex-Ballplayer Held as Kidnap of Japanese

**Workers Who Were Taken From California Fields Return to Their Labors**

MODESTO, Calif., July 21.—James Shea, president of Local No. 10, Fruit and Vegetable Workers' Union, and former member of the San Francisco club in the Pacific Coast Baseball League, was arrested at Turlock to-day on a charge of kidnaping and inciting a riot in connection with the taking away of a group of Japanese field workers from the Turlock district yesterday.

Other arrests were promised by Sheriff Rialas. Virtually all of the Japanese are said to have returned to the places from which they were forcibly removed. The Sheriff said he believed radicals led the mob.

An executive of the Department of Justice, bureau of investigation is in the Turlock district looking into the treatment the Japanese received.

SAN FRANCISCO, July 21.—The Japanese Association of America, embracing 65,000 Japanese in the Western States, is "well pleased with the manner in which the Japanese workers are handling the situation at Turlock," S. Katsura, secretary of the association, said to-day.

All of the driven-out Japanese have been notified to return to work. The association headquarters and give their versions of "their experiences."

## Hillquit Has Trouble In Landing in England

**Onetime Mayoralty Candidate Detained at Dover and Then Given His Liberty**

LONDON, July 21.—Morriss Hillquit, the American socialist leader, was detained temporarily at Dover Sunday night in Dover, on his arrival from France, as the result of a misunderstanding by the immigration authorities. The blunder, however, was rectified to-day, and Mr. Hillquit has arrived in London, according to The Daily Herald, the labor newspaper.

Mr. Hillquit was refused permission to land at Dover by an immigration officer, who said he was acting on instructions from the Secretary for Home Affairs. Eventually he obtained permission from the port authorities to land at Dover, and was instructed to report at noon to-day. Unless instructions had been cancelled by that time, he was told, he would have to return to France.

The blunder, which resulted in Mr. Hillquit's being detained at Dover was secured by John R. Clynes, labor member of Parliament, drawing the Home Secretary's personal attention to the matter.

## Jersey Assemblyman Makes Lay; Breaks It On Protested Check Charge; Dismissed Later

Assemblyman Arthur E. Warner, of Elizabeth, N. J., was one of the supporters in the House of Representatives of New Jersey Legislature in 1919, where by the drawer of a check that had been protested and not made good when the check was cashed.

Yesterday he appeared in the 6th Precinct Court, Newark, in answer to a charge made by Ferdinand Schmidt, 211 Myford Avenue, Newark, that Warner drew a check without sufficient funds in the bank to meet it. The charge was dismissed by Judge Grice at the request of the complainant.

February 29 last, Warner, Schmidt, says, drew a check for \$813.00 on the First National Bank of Perth Amboy and turned it over to Schmidt. It was made payable to Schmidt's Avenue Garage, Newark. When Schmidt attempted to cash it the check was returned with the notice that there were not sufficient funds in the bank to meet it. Schmidt demanded payment and not receiving it made a complaint. Later Warner deposited sufficient funds to meet the check.

## Navy Scraps Prison League

**Osborne System, With Privileges and Buttons, Ousted**

SPECIAL DISPATCH TO THE TRIBUNE  
PORTSMOUTH, N. H., July 21.—With the execution of an order by Commandant Hamilton B. South to-day Thomas Mott Osborne's Welfare League at the naval prison here passed into history. Commandant South ordered that the leaguers be returned to their cells, their buttons surrendered, and all the special privileges that the offenders have enjoyed since Osborne's system was established five years ago are taken away.

South was especially determined to put an end to the Welfare League of the Navy. He had investigated the conditions surrounding Osborne's league system. He took command July 1. According to the stories that have gone from bad to worse during Osborne's regime, Secretary Denby selected Colonel South as commandant because of his record as a disciplinarian in the Marine Corps, it is said.

## New 'Spending Tax' Plan Presented in Congress by Mills

**N. Y. Representative Calls It the 'Major Operation' Country Is Expecting in Revision of Present Levies**

From The Tribune's Washington Bureau. WASHINGTON, July 21.—Holding that the present surtaxes on incomes must either be reduced or repealed, and declaring that existing tax evils cannot be cured without a "major operation," Representative Ogden Mills of New York, to-day introduced in the House a new tax measure which promises to arouse much interest in Congress. It is called "the spendings tax," and is intended to take the place of the surtaxes on incomes.

As described by Representative Mills the spendings tax is a tax on all expenditures for personal, living and family purposes of every citizen or resident of the United States made during the calendar year, but not including the following items:

- (a) All the ordinary and necessary expenses of carrying on a business, trade or profession;
- (b) Taxes, except spending taxes;
- (c) Gifts for charitable or educational purposes;
- (d) Medical and dental services, and funeral expenses;
- (e) Investments made during the year, including real estate, except in the case of the purchase of a home when the tax payer already owns one;
- (f) Insurance premiums.

An exemption of \$2,000 is allowed to a single man or woman, and one of \$4,000 to the head of a family or to a person having one or more persons wholly dependent on him or her for support.

The tax is imposed at a graduated rate, which increases 1 per cent for every \$2,000 spent up to \$18,000, and thereafter 1 per cent for additional \$1,000 spent up to \$50,000. All spendings in excess of \$50,000 are taxed at the rate of 40 per cent.

The tax is not made applicable to the spendings of the year 1921, but in order to meet the existing emergency the bill provides that the largest rate of surtax on income received from the date of the signing of the act to the end of the calendar year shall be 35 per cent. After 1921 all surtaxes on income are abolished and the spendings tax substituted therefor.

The administrative provisions are substantially those of the present personal income tax. Mr. Mills said: "The arguments that can be urged in all fairness, in favor of this tax are as follows:

"Since all income saved and invested will be exempt from surtaxes, it will free surplus liquid capital and make it available for the needs of agriculture, commerce and industry. It will solve the tax exempt security problem. It will shut the door to the escape from income taxation by means of losses and gifts. It will promote thrift and discourage extravagance. It can fairly claim the virtues of the sales tax, the serious evils which arise from the consumption, without being regressive in character or laying a disproportionate burden on those least able to